

“Peak Oil” refers to Production capacity.

Geology:

Oil is not in an underground pool, it's in rock formations, along with water and other substances (sulfur for instance).

Oil floats atop water, so the water creates pressure pushing the oil upwards. Think geyser.

As oil is extracted, the pressure drops. For the remaining oil, quality (purity) drops and the cost of extraction rises. Most of the world's producing oil fields are in this stage.

Oil is a finite resource. The US was the world's largest producer in the 1930s and '40s; now we produce 8% of the world's total. Production in the US peaked in the early '70s: that is, it's been in decline since then.

The major oil companies have been awash in cash for decades. They have explored the planet thoroughly. Most economically viable fields have been tapped, with new discoveries peaking in the mid-1960s at around 55 billion barrels per year. In 2005, new yearly discoveries totaled under 9 billion barrels, while consumption was over 31 billion barrels per year.

World-wide, production has peaked or is expected to peak within a few years.

Supply is leveling off, and will soon begin to decline. Simultaneously, demand is climbing rapidly, due to global industrialization (particularly China and India).

Soon global demand will exceed the supply. **THE RESULT WILL BE RISING PRICES COUPLED WITH INCREASING SHORTAGES.**

OPEC's spare capacity has fallen from over 7 million barrels per day in 2002 to under 2 million in 2006. This means supply is increasingly vulnerable to disruption, be it from political upheaval, sabotage, natural disaster, etc.

World-wide, transportation is 95% dependent on oil. In the US, it was 97% in 2004.

Implications of the above:

No capacity for economic growth, or even to maintain current economic activity.

Increased international conflict over oil supplies.

REDUCED ABILITY TO TRANSPORT FOOD, GOODS, AND PEOPLE.

Concerted effort is necessary to safeguard our local economy and food supply.

AT BEST, THE “FOSSIL FUEL AGE” WILL BE A BLIP ON THE GRAPH OF HUMAN HISTORY.

Reduce consumption, and produce locally. Relocalization.

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